

Housing Market Analysis



The Housing Market Analysis describes supply of and demand for housing in Seattle. It begins by describing Seattle households by type and tenure. It includes rent and vacancy data for residential units, and sale prices for both single-family and condominium homes. Data illustrating residential development activity and current zoning capacity is also provided.

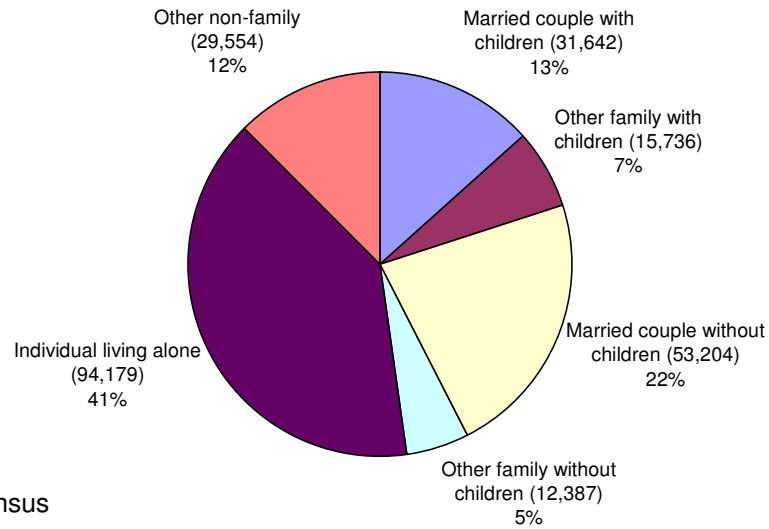
Seattle Households by Type

Seattle's average household size of 2.08 persons is the smallest among the 100 largest cities in the nation.¹ Of a total of 258,499 households in Seattle, over 105,000 (41%) are single persons living alone, compared to only 46,310 households (18%) with children 18 or under. Between 1990 and 2000, the number of families with children decreased by 2% (-1,068 households), the number of families without children increased by 2% (1,499 households), and the number of singles living alone or with other unrelated individuals increased 17% (21,366 households). The following two pie charts show the breakdown of households by household type for 1990 and 2000.

¹ Brookings Institution Center on Urban and Metropolitan Policy, *Seattle In Focus: A Profile from the 2000 Census*, 2003, p. 36.

**Figure 2-1
Households by Household Type, 1990**

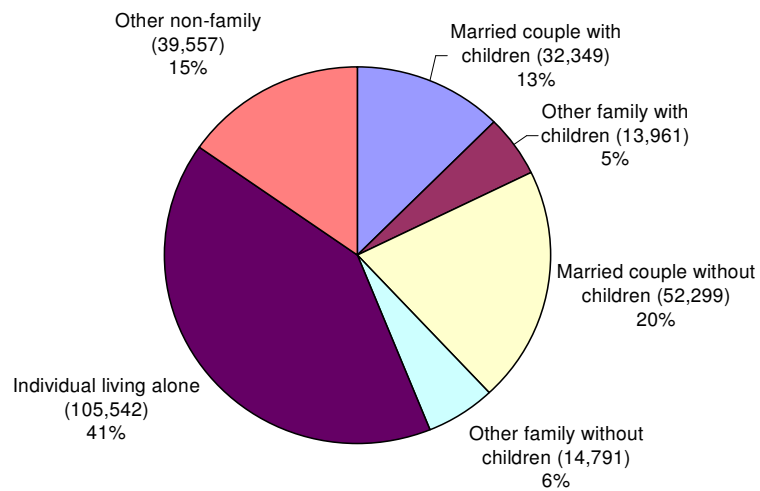
1990 Total Households = 236,702



Source: 2000 Census

**Figure 2-2
Households by Household Type, 2000**

2000 Total Households = 258,499



Source: 2000 Census

Almost all of Seattle's household growth between 1990 and 2000 was among households without children. The number of households with children (married couples and other family combined) *declined* 2.3%, compared to a 9.2% increase in number of households overall. All of the decline was concentrated among "other families with children" (largely single-parent families). However, even the number of married couples with children increased at a much slower rate than growth in the overall number of Seattle households.

Table 2-3
Seattle Households by Household Type, 1990 vs. 2000

Household Type	1990		2000		% Change
	#	% of total	#	% of total	
Married Couple with Children	31,642	13.4%	32,349	12.5%	2.2%
Other Family with Children	15,736	6.6%	13,961	5.4%	-11.3%
Married Couple without Children	53,204	22.5%	52,299	20.2%	-1.7%
Other Family without Children	12,387	5.2%	14,791	5.7%	19.4%
Individual Living Alone	94,179	39.8%	105,542	40.8%	12.1%
Other Non-Family	29,554	12.5%	39,557	15.3%	33.8%
TOTAL	236,702	100%	258,499	100%	9.2%

Source: 2000 Census

The number of households in King County (excluding Seattle) grew 19.3% between 1990-2000, compared to only 9.2% in Seattle. Similar to Seattle, the proportion of total households who are married couples with children declined in King County, but it is still far higher than in Seattle (26.1% in non-Seattle King County vs. 12.5% in Seattle). The number of other families with children households increased 23.9% in non-Seattle King County compared to an 11.3% *decrease* in the City of Seattle.

Table 2-4
King County (excluding Seattle) Households by Household Type, 1990 vs. 2000

Household Type	1990		2000		% Change
	#	% of total	#	% of total	
Married Couple with Children	107,704	28.4%	118,225	26.1%	9.8%
Other Family with Children	30,158	8.0%	37,362	8.3%	23.9%
Married Couple without Children	111,494	29.4%	126,895	28.0%	13.8%
Other Family without Children	15,965	4.2%	24,077	5.3%	50.8%
Individual Living Alone	85,420	22.5%	111,621	24.7%	30.7%
Other Non-Family	28,349	7.5%	34,237	7.6%	20.8%
TOTAL	379,090	100%	452,417	100%	19.3%

Source: 2000 Census

Demographic Trends

The characteristics of the U.S. population have changed tremendously since the 1950s. The population is aging, households have become smaller and more diverse, and birth rates have dropped. The Seattle metropolitan area has not been immune to these changes.

Since 1960, married couples with children have declined by almost 50 percent, from 65,100 to 33,700 households in 1990 (see Figure 2-7). At the same time, the number of single-parent families with children, single-person households and households with unrelated persons living together have all increased. Households composed of single parents with children have increased by almost 100 percent from 7,600 in 1960 to 14,000 in 2000. Single-person households, which were not counted separately until 1980, have increased by 26 percent from 83,800 in 1980 to 105,500 in 2000. Households with unrelated persons living together have increased by 80 percent from 21,600 in 1980 to 39,600 in 2000.

Seattle's average household size has declined from 2.70 persons in 1960 to 2.08 in 2000. This decline in average household size is again a national and regional phenomenon, and is not unique to Seattle. The decrease in household size means that a greater number of housing units are needed to house the city's population, compared to what the need would be for a population with a larger average household size.

These trends of increasing diversity of household types and smaller households are expected to continue over the next twenty years, for the nation, and for Seattle and King County.

Table 2-5
Seattle Households by Household Type and Size, 1960-2020

	1960*	1970*	1980	1990	2000	2010	2020
Family							
Married couple no child	59,040	63,310	56,073	53,070	50,931	56,783	64,782
Married couple with child	65,106	49,140	32,430	31,776	33,717	36,846	37,566
Parent with child & no spouse	7,648	10,916	15,063	15,853	16,366	14,798	14,934
Other family no child	10,722	9,934	10,557	12,270	12,386	15,398	17,538
Non-Family							
One person living alone			83,799	94,179	105,542	113,239	127,369
Two or more persons no child			20,558	28,672	38,857	38,928	41,124
Two or more persons with child			1,078	882	700	218	227
Total	200,577	206,092	219,469	236,702	258,499	276,211	303,540
Persons per Household							
Average household size	2.70	2.48	2.14	2.09	2.08	2.08	2.05
Change since last decade		-8.2%	-13.7%	-2.3%	-0.5%	-0%	-1.3%

*Refers to own child of the head of the household rather than any child in the household.

Sources: U.S. Census Bureau, decennial censuses, 1960 to 2000; 2010 and 2020: forecast by City of Seattle Department of Planning & Development, July 2004, based on data from U.S. Census Bureau, decennial censuses, 1990 and 2000; Washington State Office of Financial Management King County Age Forecasts; and Puget Sound Regional Council 2010 and 2020 population projections for Seattle.

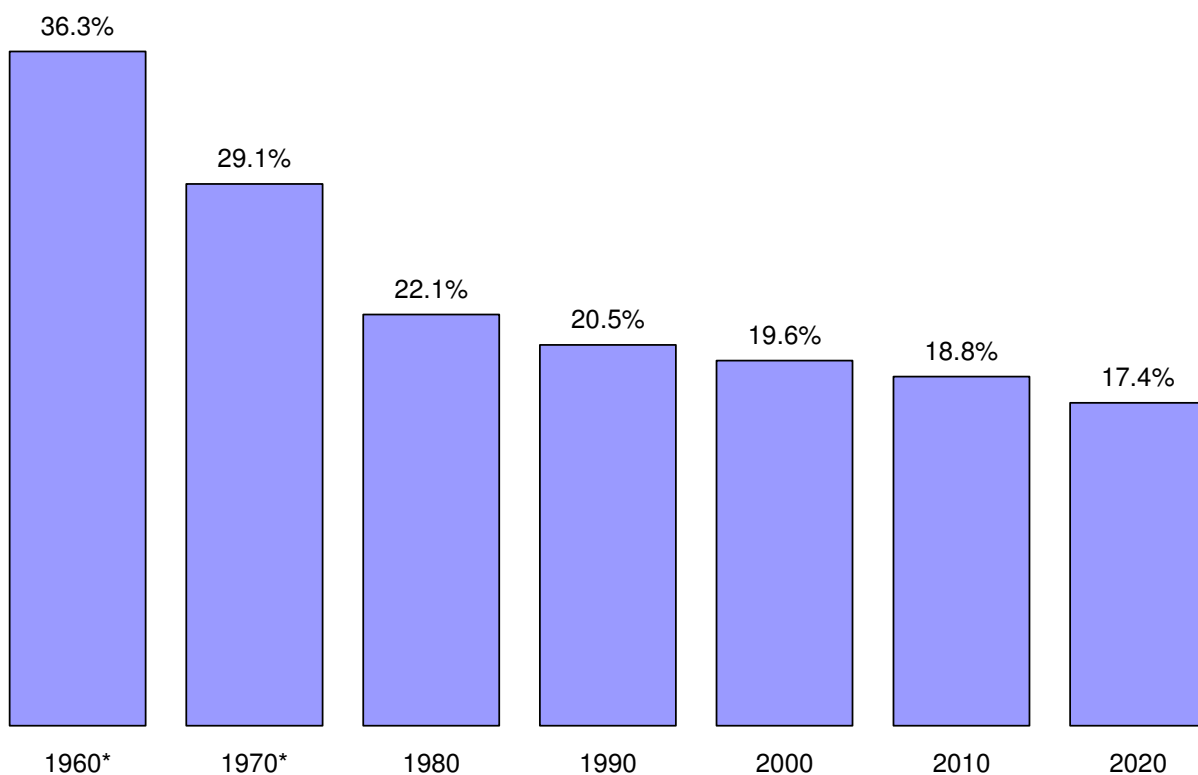
Table 2-6
Percent of Seattle Households by Type, 1960-2020

	1960*	1970*	1980	1990	2000	2010	2020
Family							
Married couple no child	29%	31%	26%	22%	20%	21%	21%
Married couple with child	33%	24%	15%	13%	13%	13%	12%
Parent with child & no spouse	4%	5%	7%	7%	6%	5%	5%
Other family no child	5%	5%	5%	5%	5%	6%	6%
Non-Family							
One person living alone			38%	40%	41%	41%	42%
Two or more persons no child			9%	12%	15%	14%	14%
Two or more persons with child			0%	1%	1%	1%	0%
Total	100%	100%	100%	100%	100%	100%	100%

*Refers to own child of the head of the household rather than any child in the household.

Sources: U.S. Census Bureau, decennial censuses, 1960 to 2000; 2010 and 2020: forecast by City of Seattle Department of Planning & Development, July 2004, based on data from U.S. Census Bureau, decennial censuses, 1990 and 2000; Washington State Office of Financial Management King County Age Forecasts; and Puget Sound Regional Council 2010 and 2020 population projections for Seattle.

Figure 2-7
Seattle Households with Children, 1960-2020



* Percents for 1960 and 1970 do not include any households where a child lived with non-relatives.

Sources: U.S. Census Bureau, decennial censuses 1960-2000; 2010 and 2020 forecast by City of Seattle Department of Planning & Development, July 2004.

Table 2-8
Seattle Population by Age, 1960-2020

Age	1960*	1970*	1980	1990	2000	2010	2020
0 to 4	51,946	34,994	24,235	29,269	26,215	27,971	30,706
5 to 14	99,850	83,903	50,707	43,899	47,884	45,065	48,917
15 to 24	66,712	95,813	89,268	74,005	80,662	91,117	87,394
25 to 34	66,277	67,315	106,595	112,098	122,282	113,155	131,782
35 to 44	76,922	50,655	49,028	93,285	95,077	84,585	79,968
45 to 64	128,583	128,499	97,839	85,303	123,447	156,925	155,499
65 to 84	63,146	63,554	68,120	69,129	56,736	60,387	92,291
85 & +	3,651	6,098	8,054	9,271	11,071	14,910	15,233
<i>Total</i>	<i>557,087</i>	<i>530,831</i>	<i>493,846</i>	<i>516,259</i>	<i>563,374</i>	<i>596,125</i>	<i>643,810</i>

* Numbers for 1960 and 1970 do not include any households where a child lived with non-relatives.

Source: U.S. Census Bureau, decennial censuses, 1960-2000

Figure 2-9
Seattle Population by Age, Percent Change 2000-2020

Age	2000-2010 Change		2000-2020 Change	
	(number)	(percent)	(number)	(percent)
0 to 4	1,756	6.7%	4,491	17.1%
5 to 14	-2,819	-5.9%	1,033	2.2%
15 to 24	10,455	13.0%	6,732	8.3%
25 to 34	-9,127	-7.5%	9,500	7.8%
35 to 44	-10,492	-11.0%	-15,109	-15.9%
45 to 64	33,478	27.1%	32,555	26.0%
65 to 84	3,651	6.4%	35,555	62.7%
85 & +	3,839	34.7%	4,162	37.6%
Total	30,751	5.4%	78,416	13.9%

Sources: 2000 Census; 2010 and 2020 forecast by City of Seattle Department of Planning & Development, July 2004, based on data from U.S. Census Bureau, decennial censuses, 1990 and 2000; Washington State Office of Financial Management King County Age Forecasts; and Puget Sound Regional Council 2010 and 2020 population projections for Seattle.

Housing Tenure

Just under one-half of the housing units in Seattle were owner-occupied at the time of the 2000 Census: 48.4% owner-occupied and 51.6% renter-occupied. Rental units tend to have fewer bedrooms than owned housing. Over 60% of rental units in Seattle were one-bedroom or studios. Only 12% had three or more bedrooms. Owned units, on the other hand, are larger, with over 60% having at least three bedrooms.

Table 2-10
Housing Tenure by Size of Unit, 2000

Number of Bedrooms	Renter-Occupied	Owner-Occupied	Total Units
0 and 1 bedroom	81,422	11,502	92,924
2 bedrooms	36,258	36,229	72,487
3 or more bedrooms	15,679	77,420	93,099
<i>Total</i>	<i>133,359</i>	<i>125,151</i>	<i>258,510</i>

Source: 2000 Census

Homeownership rates vary widely by neighborhood. Rates are highest overall in West Seattle: over 50% in all neighborhoods in that sector of Seattle and over 60% in the Admiral District and Morgan Junction. Rates are also high in most parts of North Seattle and in North Rainier Valley. Homeownership rates are lowest in Downtown and surrounding City Center neighborhoods, which are quite urban in character. The University District homeownership rate is 7%, which is extremely low. Homeownership rates are also notably lower than average in Fremont (14%), Rainier Beach (26%), the Central Area (37%), and North Beacon Hill (38%). The table on the following page shows the homeownership rates for each of the neighborhood planning areas in Seattle.

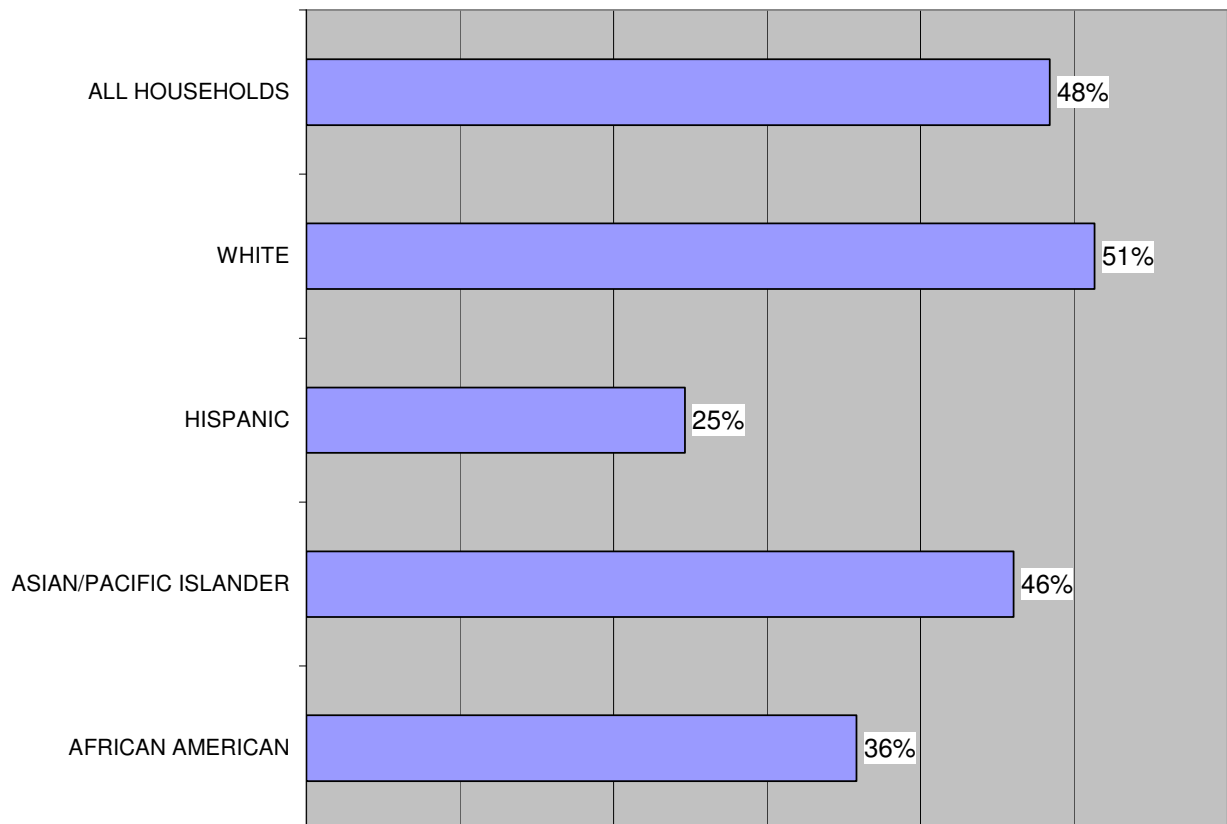
Table 2-11
Homeownership Rate by Neighborhood Planning Area, 2000

Neighborhood Planning Area	Homeownership Rate
<i>CITYWIDE</i>	48%
Admiral	63%
Aurora-Licton Springs	43%
Ballard-Crown Hill	55%
Belltown	22%
Ballard-Interbay-Northend Manufacturing/Industrial Center	34%
Broadway-Bitter Lake-Haller Lake	53%
Capitol Hill	16%
Central Area	37%
Chinatown-International District	2%
Columbia City	34%
Commercial Core	23%
Delridge	51%
Denny Triangle	1%
Eastlake	24%
First Hill	14%
Fremont	29%
Georgetown	34%
Greater Duwamish	48%
Greenlake	53%
Greenwood-Phinney Ridge	55%
Lake City	58%
MLK at Holly	40%
Morgan Junction	61%
North Beacon Hill	38%
North Rainier	59%
Northgate	50%
Pike-Pine	8%
Pioneer Square	8%
Queen Anne	9%
Rainier Beach	26%
Roosevelt	49%
South Lake Union	0%
South Park	45%
University District	7%
Wallingford	46%
West Seattle	57%
Westwood-Highland Park	54%

Source: 2000 Census

Homeownership rates also vary by race/ethnicity, as illustrated by the table below. White households have a higher-than-average homeownership rate, at 51%. According to the 2000 Census, the homeownership rate was 46% among Asian/Pacific Islander households, 36% among African American households, and only 25% among Hispanic or Latino households. Due in large part to the influx of Hispanic/Latino households in the past decade, the homeownership rate for that population has dropped considerably, from 32% in 1990 to 25% in 2000.

Table 2-12
Homeownership Rate by Race, 2000



Source: 2000 Census

Rental Housing Market

Average rents in 2004 for rental apartments in Seattle are \$889 per unit in larger buildings and \$845 per unit for single-family houses, duplex and triplex units, and smaller apartment buildings.

Table 2-13
Average Actual Rent for 20+ Unit Apartment Buildings, 2004

Neighborhood	Rent
Belltown	\$1,197
Central	\$987
Queen Anne	\$936
Greenlake/Wallingford	\$926
Madison/Leschi	\$905
Magnolia	\$899
Capitol Hill/Eastlake	\$816
University	\$814
First Hill	\$791
West Seattle	\$761
North Seattle	\$757
Beacon Hill	\$749
Ballard	\$713
Rainier Valley	\$647
CITYWIDE	\$889

Source: Dupre +Scott, Apartment Vacancy Report, April 2004

Table 2-14
Average Actual Rent for 1-19 Unit Apartment Buildings, 2004

Neighborhood	Rent
Madison/Leschi	\$1,103
Queen Anne	\$934
First Hill	\$886
Central	\$884
West Seattle	\$854
Capitol Hill/Eastlake	\$849
University	\$836
Magnolia	\$832
Greenlake/Wallingford	\$831
Beacon Hill	\$823
North Seattle	\$810
Rainier Valley	\$793
Ballard	\$781
CITYWIDE	\$845

Source: Dupre +Scott, 1-19 Unit Apartment Report, May 2004

As of 2004, average citywide vacancy rates were in the 6-7% range, which is higher than the commonly recognized balance point for the rental market of 5%. The average citywide vacancy rate has not yet fully returned to its pre-economic recession level.

Table 2-15
Average Market Vacancy for 20+ Unit Apartment Buildings, 2004

Neighborhood	Vacancy
Greenlake/Wallingford	3.3%
Rainier Valley	4.3%
Ballard	4.6%
Capitol Hill/Eastlake	4.6%
University	4.7%
Queen Anne	5.2%
Madison/Leschi	5.8%
West Seattle	6.8%
Central	7.0%
North Seattle	7.0%
Magnolia	7.5%
Bellevue	7.8%
First Hill	8.1%
Beacon Hill	10.7%
CITYWIDE	6.4%

Source: Dupre +Scott, Apartment Vacancy Report, April 2004

Table 2-16
Average Market Vacancy for 1-19 Unit Apartment Buildings, 2004

Neighborhood	Vacancy
Ballard	3.2%
First Hill	3.6%
University	4.8%
Central	4.9%
Capitol Hill/Eastlake	5.4%
Madison/Leschi	5.4%
Magnolia	5.6%
Queen Anne	5.6%
Greenlake/Wallingford	6.0%
Beacon Hill	8.3%
West Seattle	8.6%
Rainier Valley	9.9%
North Seattle	10.7%
CITYWIDE	6.6%

Source: Dupre +Scott, 1-19 Unit Apartment Report, May 2004

The rental market softened significantly during the recession of recent years, and rents have not yet quite recovered to levels of a couple years ago. Seattle's vacancy rate peaked in 2002 at 7.4% and is on its way down again. A couple of indicators signal a modest recovery in the rental market: (1) rent incentives are slightly down from one year ago; (2) apartments are leasing up slightly faster; and (3) the turnover rate for apartments dropped slightly. However, less than one-quarter of apartment managers surveyed by Dupre + Scott in 2004 plan to increase rents over the next six months, and those increases are expected to be modest.

The following tables detail what has happened with rents and vacancies the past six years. The recession sent rents in most neighborhoods downward in 2001 and 2002. The rental market in some neighborhoods has yet to recover. Beacon Hill and Madison/Leschi were particularly hit hard, with 2004 rents 13% and 11% lower respectively than they were several years ago. However, Ballard, Queen Anne, and the University District saw rents continue to climb throughout the recession. Rents in the Central Area, First Hill, and Rainier Valley peaked in 2003, but dropped 3-5% in the past year.

Table 2-17
Average Actual Rents in 20+ Unit Buildings, 1999-2004

Area	Apr-99	Apr-00	Apr-01	Apr-02	Apr-03	Apr-04
Ballard	\$572	\$639	\$687	\$706	\$704	\$713
Beacon Hill	\$650	\$712	\$865	\$767	\$708	\$749
Belltown	\$1,013	\$1,087	\$1,229	\$1,208	\$1,206	\$1,197
Capitol Hill/Eastlake	\$742	\$779	\$819	\$825	\$807	\$816
Central	\$835	\$914	\$958	\$986	\$1,041	\$987
First Hill	\$684	\$751	\$759	\$783	\$813	\$791
Greenlake/Wallingford	\$824	\$907	\$886	\$939	\$893	\$926
Madison/Leschi	\$925	\$960	\$983	\$1,012	\$952	\$905
Magnolia	\$794	\$871	\$883	\$951	\$914	\$899
North Seattle	\$714	\$738	\$763	\$787	\$776	\$757
Queen Anne	\$858	\$885	\$884	\$923	\$923	\$936
Rainier Valley	\$534	\$592	\$613	\$627	\$673	\$647
University	\$699	\$786	\$775	\$806	\$805	\$814
West Seattle	\$745	\$750	\$783	\$808	\$773	\$761
CITYWIDE	\$780	\$820	\$860	\$892	\$887	\$889

Source: Dupre + Scott, Apartment Vacancy Reports, 1999-2004

Vacancy rates peaked in most Seattle neighborhoods in 2002 and 2003. They have declined to below 8% in all neighborhoods except Beacon Hill and First Hill, where the vacancy rate is 10.7% and 8.1% respectively. The market is generally considered in balance when vacancy rates are about 5%. Prior to the recession, the Seattle market exhibited a severe shortage of rental housing, with a citywide vacancy rate of only 2.1%. Many Seattle neighborhoods had vacancy rates in the 0-2% range, which the industry considers to be effectively a no-vacancy situation that puts significant inflationary pressures on rents. Vacancy rates in two of Seattle's most affordable neighborhoods, Rainier Valley and Ballard, never even reached 5% during the recession.

Table 2-18
Average Market Vacancy in 20+ Unit Buildings, 1999-2004

Area	Apr-99	Apr-00	Apr-01	Apr-02	Apr-03	Apr-04
Ballard	0.3%	0.8%	1.0%	4.8%	4.8%	4.6%
Beacon Hill	3.2%	2.4%	5.1%	5.2%	6.7%	10.7%
Belltown	3.1%	2.5%	6.4%	11.4%	8.2%	7.8%
Capitol Hill/Eastlake	1.6%	1.5%	2.4%	6.4%	6.1%	4.6%
Central	1.9%	2.1%	4.6%	6.9%	9.7%	7.0%
First Hill	3.1%	2.5%	4.3%	8.8%	8.3%	8.1%
Greenlake/Wallingford	2.5%	1.3%	1.4%	3.5%	4.0%	3.3%
Madison/Leschi	0.7%	1.6%	2.1%	3.8%	3.4%	5.8%
Magnolia	2.8%	1.9%	4.2%	7.6%	7.0%	7.5%
North Seattle	2.3%	2.3%	2.7%	7.2%	6.5%	7.0%
Queen Anne	2.3%	2.1%	2.8%	5.9%	6.7%	5.2%
Rainier Valley	2.7%	1.9%	1.3%	3.8%	3.7%	4.3%
University	3.7%	1.8%	1.3%	5.5%	6.4%	4.7%
West Seattle	2.8%	3.4%	4.1%	8.1%	8.2%	6.8%
CITYWIDE	2.5%	2.1%	3.3%	7.4%	6.9%	6.4%

Source: Dupre + Scott, Apartment Vacancy Reports, 1999-2004

Average rents for single-family homes, duplexes and other multifamily buildings with less than 20 residential units generally run slightly higher than rents in larger apartment complexes. However, this sector of the rental market has not fully recovered. The average citywide rent was \$845 in 2004, which is still 6% lower than the 2002 figure. Unlike the 20+ unit buildings, the recession seemed to generally have an equally negative impact on rents for single-family houses and smaller complexes in most Seattle neighborhoods.

Table 2-19
Average Actual Rents for 1-19 Unit Buildings, 2002-2004

Area	May-02	May-03	May-04
Ballard	\$809	\$797	\$781
Beacon Hill	\$824	\$809	\$823
Capitol Hill/Eastlake	\$875	\$856	\$849
Central	\$1,006	\$900	\$884
First Hill	\$896	\$883	\$886
Greenlake/Wallingford	\$903	\$891	\$831
Madison/Leschi	\$998	\$1,153	\$1,103
Magnolia	\$954	\$909	\$832
North Seattle	\$859	\$844	\$810
Queen Anne	\$980	\$987	\$934
Rainier Valley	\$836	\$854	\$793
University	\$891	\$926	\$836
West Seattle	\$891	\$889	\$854
CITYWIDE	\$897	\$884	\$845

Source: Dupre + Scott, 1-19 Unit Apartment Reports, 2002-2004

Vacancy rates for this particular sector of the rental market vary widely by neighborhood. The range in 2004 was a low of 3.2% in Ballard to a high of 10.7% in North Seattle. The citywide average vacancy rate for single-family houses and small complexes is 6.6%, just slightly higher than the citywide vacancy rate for 20+ unit residential buildings.

Table 2-20
Average Market Vacancy for 1-19 Unit Buildings, 2002-2004

<u>Area</u>	<u>May-02</u>	<u>May-03</u>	<u>May-04</u>
Ballard	3.5%	4.0%	3.2%
Beacon Hill	4.3%	5.2%	8.3%
Capitol Hill/Eastlake	4.6%	4.1%	5.4%
Central	5.3%	5.4%	4.9%
First Hill	0.0%	3.4%	3.6%
Greenlake/Wallingford	5.6%	6.5%	6.0%
Madison/Leschi	4.5%	5.1%	5.4%
Magnolia	5.8%	5.2%	5.6%
North Seattle	4.8%	9.0%	10.7%
Queen Anne	5.3%	8.2%	5.6%
Rainier Valley	6.0%	7.4%	9.9%
University	5.6%	8.0%	4.8%
West Seattle	4.7%	6.3%	8.6%
CITYWIDE	5.0%	6.5%	6.6%

Source: Dupre + Scott, 1-19 Unit Apartment Reports, 2002-2004

Wages and Cost of Housing

According to HUD, housing is “affordable” when housing costs do not exceed 30% of a household’s combined income. The average rent for a one-bedroom apartment in Seattle in 2003 was \$843. In order for an individual to afford that rent they would need to have an annual income of \$33,720 (\$16.20 per hour). The average rent for a two-bedroom, one-bathroom apartment in Seattle in 2003 was \$954, which requires a household income of \$38,160 (\$18.35 an hour). The table below shows what rents would be affordable for people in typical lower-wage occupations, based on median wages in the Seattle area for those occupations.

Table 2-21
Affordable Rents for Lower-Wage Occupations

Occupation	Median Wage (2002)	Affordable Rent
Fast food cook	\$8.10	\$420
Child care worker	\$8.40	\$435
Retail sales person	\$10.30	\$535
Nursing aide	\$10.50	\$545
Custodian	\$10.65	\$555
Administrative assistant	\$16.20	\$840
Elementary school teacher	\$16.40*	\$855
Retail sales manager	\$17.00	\$885
Family therapist	\$17.60	\$915
Social worker	\$20.00	\$1,040
Computer support specialist	\$22.50	\$1,170

* Starting wage for an elementary school teacher

Source: Washington Department of Employment Security,
Wage Database, 2002

Home Sale Prices

In 2003, the average and median sale price for single-family homes in Seattle were \$363,000 and \$310,000 respectively. Prices range widely by sector and neighborhood. Median sale prices ranged from \$420,000 to over \$1,000,000 in Central and West neighborhoods, with the exception of the “Central Area”, where the median sale price was under \$300,000. Houses are generally most affordable in Southwest and Southeast Seattle neighborhoods. The only neighborhoods in the city with median sale prices under \$200,000 are located in those two sectors.

High housing costs in the for-sale market are keeping homeownership out of reach for many Seattle families.² Seattle’s median home price of \$310,000 presents an affordability gap even for households with incomes at 100% of median income. According to a 2003 King County report, a median income household can afford a \$260,000 home and first-time homebuyers can afford a \$197,000 home. Note that not since 1970 has a household at 100% of median income been able to easily afford a median-priced home in Seattle or greater King County. In addition, although there continues to be an affordability gap for median-income and first-time homebuyers, that gap has actually decreased significantly in the past few years, due primarily to falling interest rates.

Table 2-22
Single-Family Home Sale Prices for Selected Neighborhoods, 2003

Neighborhood	Average	Median	Number of Sales
<i>CITYWIDE</i>	<i>\$363,000</i>	<i>\$310,000</i>	<i>7,879</i>
<i>Southwest Seattle</i>			
Admiral	\$326,000	\$330,000	93
Delridge	\$207,000	\$194,000	30
Fauntleroy	\$412,000	\$373,000	82
Gatewood	\$326,000	\$300,000	116
Highland Park	\$217,000	\$211,000	126
South Park	\$178,000	\$178,000	29
Westwood	\$220,000	\$219,000	97
West Seattle	\$294,000	\$255,000	431
<i>Southeast Seattle</i>			
Columbia City	\$260,000	\$244,000	77
Hillman City	\$217,000	\$216,000	24
Mount Baker	\$443,000	\$358,000	123
Rainier Beach	\$255,000	\$222,000	37
Rainier Valley	\$190,000	\$188,000	24
Seward Park	\$384,000	\$325,000	130
Beacon Hill	\$248,000	\$240,000	284
Georgetown	\$212,000	\$197,000	10

(Table continued on following page.)

² Affordability gap findings from the following report: *King County Benchmarks, Affordable Housing 2003*.

Table 2-22 (Continued)
Single-Family Home Sale Prices for Selected Neighborhoods, 2003

Neighborhood	Average	Median	Number of Sales
<i>Central</i>			
Capitol Hill	\$576,000	\$469,000	173
Central Area	\$276,000	\$281,000	116
Leschi	\$496,000	\$410,000	100
Madison Park	\$834,000	\$675,000	39
Madrona	\$534,000	\$490,000	95
Montlake	\$531,000	\$515,000	70
Washington Park	\$1,358,250	\$1,035,000	25
<i>West</i>			
Magnolia	\$497,000	\$419,000	374
Queen Anne	\$527,000	\$445,000	355
<i>Northwest</i>			
Ballard	\$316,000	\$303,000	344
Broadview	\$357,000	\$305,000	165
Crown Hill	\$292,000	\$282,000	93
Fremont	\$363,000	\$339,000	117
Green Lake	\$345,000	\$325,000	408
Greenwood	\$268,000	\$263,000	167
Haller Lake	\$260,000	\$247,000	88
Loyal Heights	\$324,000	\$316,000	125
North Beach	\$519,000	\$490,000	64
Phinney Ridge	\$385,000	\$356,000	160
Sunset Hill	\$416,000	\$390,000	71
Wallingford	\$400,000	\$383,000	202
<i>Northeast</i>			
Bryant	\$384,000	\$370,000	148
Hawthorne Hills	\$459,000	\$410,000	54
Lake City	\$274,000	\$258,000	48
Laurelhurst	\$709,000	\$565,000	95
Maple Leaf	\$319,000	\$301,000	184
Meadowbrook	\$315,000	\$300,000	91
Northgate	\$281,000	\$270,000	23
Ravenna	\$378,000	\$359,000	176
View Ridge	\$462,000	\$397,000	70

Source: NW Multiple Listings Service, January 2004

Condominiums constituted one-quarter of all home sales in 2003. The average and median sale prices for condominiums in Seattle were \$257,000 and \$220,000 respectively in 2003. Unlike the single-family market, median sale prices for condominiums do not vary significantly by neighborhood. Condominiums are least affordable in Downtown and some of Seattle's waterfront neighborhoods, like Alki and Leschi. Condominiums are most affordable in North Seattle. The following table details condominium sale prices by neighborhood.

Table 2-23
Condominium Sale Prices for Selected Neighborhoods, 2003

Neighborhood	Average	Median	Number of Sales
<i>CITYWIDE</i>	<i>\$257,000</i>	<i>\$220,000</i>	<i>2,707</i>
<i>Southwest</i>			
Admiral	\$226,000	\$203,000	26
Alki	\$380,000	\$355,000	59
West Seattle	\$218,000	\$206,000	180
Westwood	\$199,000	\$208,000	41
<i>Downtown</i>			
Belltown	\$311,000	\$262,000	257
Downtown	\$491,000	\$365,000	66
Pioneer Square	\$381,000	\$302,000	5
<i>Central</i>			
Capitol Hill	\$228,000	\$205,000	369
Central Area	\$199,000	\$180,000	21
Leschi	\$373,000	\$310,000	14
Madison Park	\$347,000	\$274,000	38
<i>West</i>			
Magnolia	\$230,000	\$190,000	86
Queen Anne	\$268,000	\$230,000	429
<i>Northwest</i>			
Ballard	\$211,000	\$205,000	74
Fremont	\$290,000	\$257,000	82
Green Lake	\$243,000	\$245,000	50
Greenwood	\$179,000	\$170,000	57
Phinney Ridge	\$253,000	\$248,000	40
Wallingford	\$243,000	\$217,000	86
<i>Northeast</i>			
Jackson Park	\$185,000	\$186,000	22
Lake City	\$138,000	\$143,000	14
Laurelhurst	\$191,000	\$174,000	24
Maple Leaf	\$143,000	\$141,000	15
Northgate	\$143,000	\$134,000	48
Ravenna	\$227,000	\$210,000	24
Sand Point	\$183,000	\$156,000	32
University District	\$216,000	\$208,000	44

Source: NW Multiple Listings Service, January 2004

Residential Development Trends

Seattle's urban village strategy, which is outlined in the City's Comprehensive Plan, seeks to achieve several goals: (1) accommodate the City's share of expected regional growth; (2) revitalize existing neighborhood business districts; (3) minimize impacts on most single-family neighborhoods; (4) make efficient use of past and future City infrastructure investments; and (5) promote higher levels of pedestrian and transit travel. Seattle's five urban centers (Downtown, First Hill/Capitol Hill, Uptown, University, and Northgate) together will take the lion's share of Seattle's expected growth. Concentrations of both commercial activity and multifamily housing are planned for urban villages, at lower densities than will be found in the urban centers.

Seattle's population grew 6% during the 1990s to exceed its previous historical peak. New Seattle residents are contributing to new housing construction, most of which is being built in the City's urban centers and villages. Seattle's housing supply grew by approximately 21,500 units between January 1995 and 2003. Over eight years, 45% of the twenty-year growth targeted for Seattle has been built (including units for which building permits had been issued as of 12/31/03).

Certain urban centers and villages are struggling to meet their 1994-2014 residential growth targets. These include the Northgate urban center, where only 171 units have been built since 1994, which is 6% of the 3,000 unit target. Pioneer Square in Downtown is also far behind in meeting its residential growth target of 2,100 units, with only 51 built and 94 permitted as of 12/31/03 (7% of target). In North Seattle, the Bitter Lake hub urban village and Crown Hill and Roosevelt residential urban villages have met less than 20% of their growth targets. Three of the five urban villages in Southeast Seattle are also at less than 20% of their targets.

The table on the following page shows progress toward meeting residential growth targets for each of the urban centers and villages in Seattle.

Table 2-24
Net Housing Unit Growth in Urban Centers and Villages

	Net Units Built 1995-2003	Units Permitted but not Built as of 1/1/04	20-Year Growth Target (1994-2014)	% of Growth Target Achieved
URBAN CENTERS	9,203	1,558	26,662	40%
1st Hill/Capitol Hill	2,233	281	5,540	45%
12th Avenue	837	7	540	156%
Capitol Hill	431	143	1,980	29%
First Hill	420	132	2,400	23%
Pike/Pine	545	-1	620	88%
Downtown Urban Center	5,103	1,040	14,700	42%
Belltown	3,227	403	6,500	56%
Chinatown-International District	456	191	1,300	50%
Commercial Core	1,076	-4	1,300	82%
Denny Triangle	293	356	3,500	19%
Pioneer Square	51	94	2,100	7%
Northgate	171	0	3,000	6%
University	826	122	2,110	45%
Ravenna	285	0	480	59%
University District Northwest	564	122	1,630	42%
Uptown	870	115	1,312	75%
HUB URBAN VILLAGES	2,463	1,659	9,000	46%
Ballard	459	637	1,520	72%
Bitter Lake Village	208	4	1,260	17%
Fremont	176	152	820	40%
Lake City	549	95	1,400	46%
North Rainier	129	220	1,200	29%
South Lake Union	440	382	1,700	48%
West Seattle Junction	502	169	1,100	61%

(Table continued on following page.)

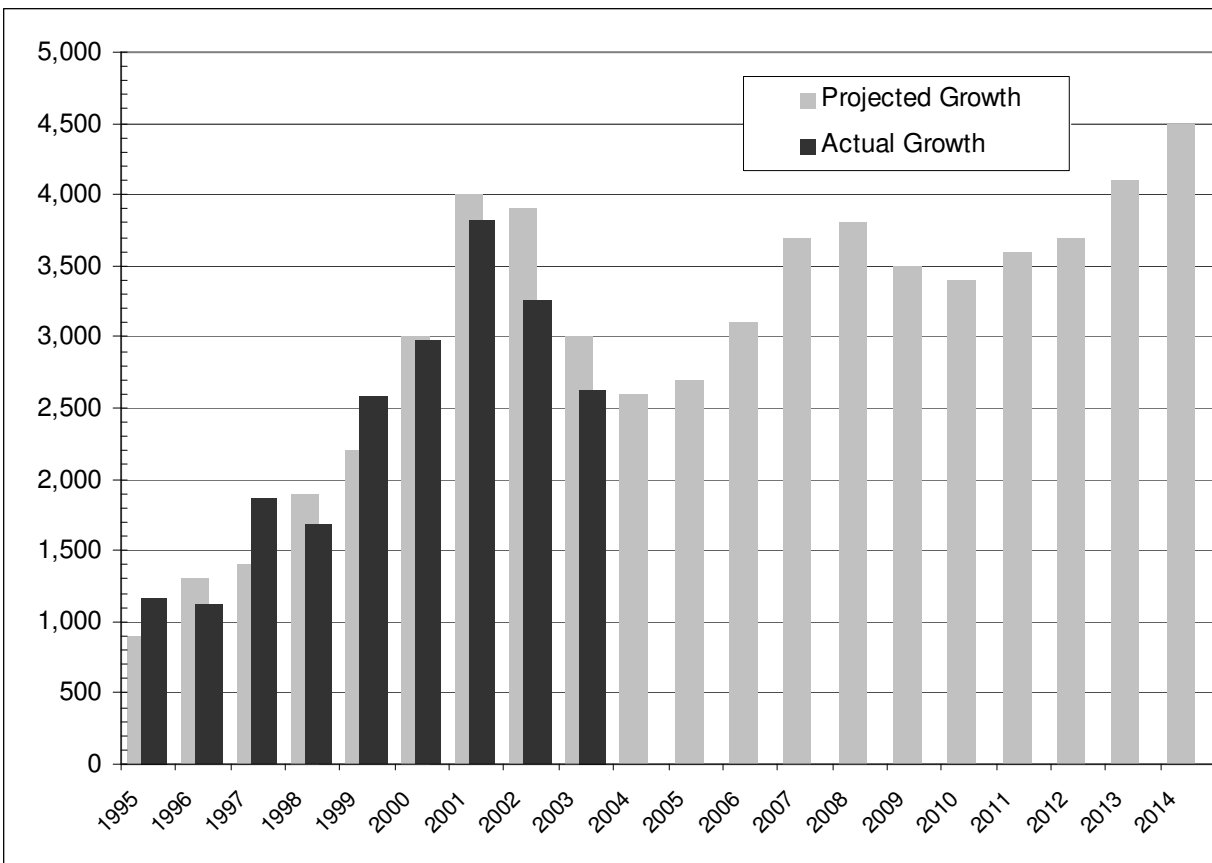
Table 2-24 (Continued)
Net Housing Unit Growth in Urban Centers and Villages

	Net Units Built 1995-2003	Units Permitted but not Built as of 1/1/04	20-Year Growth Target (1994-2014)	% of Growth Target Achieved
RESIDENTIAL URBAN VILLAGES	3,964	1,129	9,000	57%
23rd & Union-Jackson	579	258	900	93%
Admiral	214	0	340	63%
Aurora-Licton Springs	382	54	900	48%
Columbia City	75	54	740	17%
Crown Hill	48	1	310	16%
Eastlake	333	168	380	132%
Green Lake	110	118	400	57%
Greenwood-Phinney Ridge	358	51	350	117%
Madison-Miller	395	299	400	174%
MLK at Holly St	512	39	800	69%
Morgan Junction	52	4	300	19%
North Beacon Hill	71	18	550	16%
Queen Anne	85	1	300	29%
Rainier Beach	80	9	740	12%
Roosevelt	62	1	340	19%
South Park	85	12	350	28%
Wallingford	409	17	200	213%
Westwood-Highland Park	114	25	700	20%
AREAS OUTSIDE OF VILLAGES	5,827	967	15,300	44%
Total Inside Centers/Villages	15,630	4,346	44,662	45%
TOTAL SEATTLE GROWTH	21,457	5,313	59,962	45%

Source: Department of Planning & Development, January 2004

Residential development trends in Seattle over the last forty years have generally followed cyclical expansions and contractions in employment growth in the region. Significant increases in housing occurred in the early 1990s and between 1999 and 2002. These housing booms were followed by slowdowns in housing construction starting in 1992 and 2003.

Figure 2-25
Annual Housing Growth in Seattle, 1994-2014



Source: Seattle Department of Planning & Development, 2004

Since the adoption of the Comprehensive Plan in 1994, Seattle has averaged a net addition of 2,300 residential units a year, according to City permit records. Development activity was strongest between 1999 and 2002, with a peak of 3,800 net new units completed in 2001. This strong housing growth fell off in 2003 as a result of a weak economy and a related slow-down of immigration into the state and city. In January of 2000, there were active permits for an additional 7,000 units including units under construction. In April of 2004, that number had dropped to 4,500.

Most new housing development in Seattle is in multifamily development in Multifamily, Commercial and Downtown zones. Thirteen percent of units built in Seattle since 1994 have been built in single-family zones, an average of 300 units a year. Just over one-third of housing development has occurred in multifamily zones, 28% in commercial areas outside of Downtown, and 23% in Downtown since 1994.

The Comprehensive Plan estimates a net increase of 47,000 households in Seattle between 2004 and 2024. The city will need to average 2,450 new housing units a year to meet this target. Average annual production will need to be slightly higher in coming years than it has been in the past five.

As of 2004, Seattle has an estimated residential development capacity for 116,000 new housing units, or two-and-a-half times the amount of housing estimated to locate in Seattle over the next twenty years (see Table 2-26 and Figure 2-27 below). At the time the capacity figure was calculated, Seattle had 268,000 housing units, so the total housing stock would be 384,000 housing units if all this capacity were used.

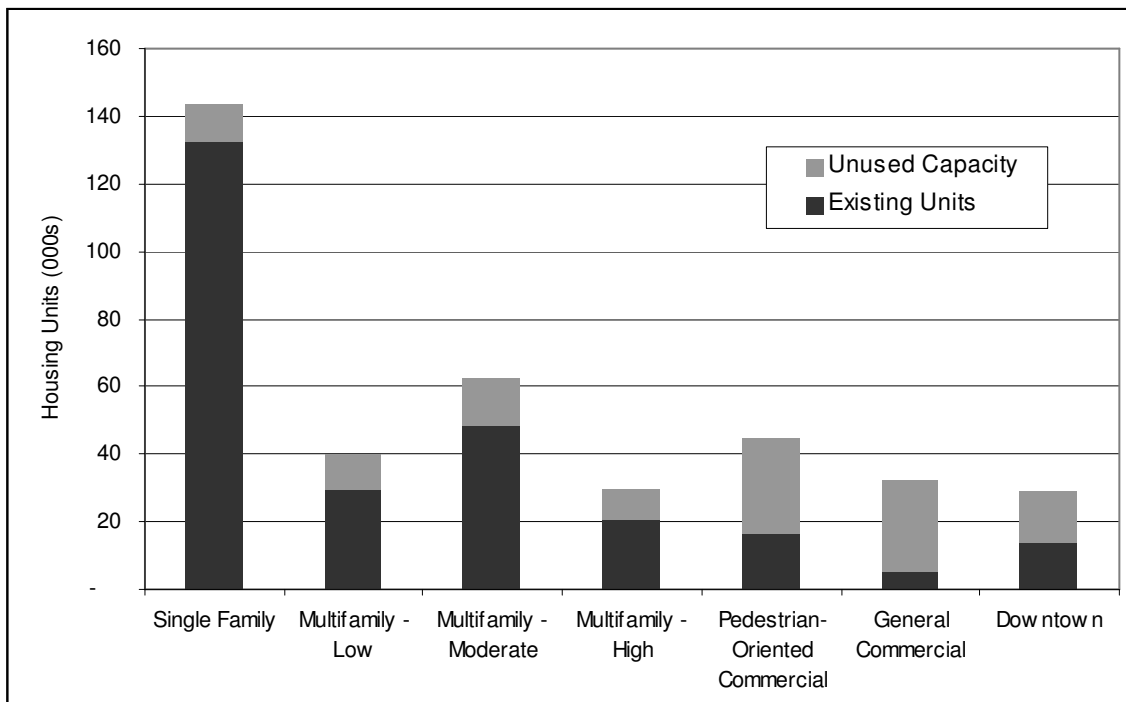
Table 2-26
City of Seattle Unused Residential Development Capacity, 2004

Land Use Zones	Existing Residential Units	Unused Residential Development Capacity (Units)	Percent Share
Single-Family	132,300	11,200	10%
Multifamily Low Density	29,600	10,700	9%
Multifamily Moderate Density	48,500	14,300	12%
Multifamily High Density	20,400	9,300	8%
Pedestrian-Oriented Commercial	16,400	28,400	24%
General Commercial	5,600	26,800	23%
Downtown	13,700	15,300	13%
Total*	268,000	116,000	100%

* Includes some existing units in industrial and major institution areas, which do not have unused residential capacity.

Source: Seattle Department of Planning and Development, 2004

Figure 2-27
Seattle Residential Development Capacity, 2004



Source: Seattle Department of Planning and Development, 2004

Residential development capacity includes vacant land in residential zones, underutilized sites in residential zones, and some of the vacant and underutilized sites in commercial zones. Underutilized sites are sites where the existing developed density is low compared to the allowed developed density, or where the value of the improvements on the site is low compared to the value of the land.

Assisted Rental Housing Inventory



The estimated inventory of assisted rental housing in Seattle is approximately 25,000 units. Of these, 20,277 are rental units with publicly-funded capital subsidies, and the other 4,723 is an estimate of the number of tenant-based Section 8 vouchers being used to lease otherwise unsubsidized residential units in Seattle.

Subsidized Rental Housing with Capital Subsidies

As of May 2004, the Office of Housing's (OH) Subsidized Rental Housing Database showed that there were 20,277 affordable rental units with capital subsidies in Seattle. As of the end of 2003, 7,793 of these units were in 238 City-funded projects. The remaining units have capital subsidies through federal, state, or county programs but are not City-funded. The following table summarizes affordability of Seattle's subsidized rental housing stock:

Table 2-28
Rental Housing Units with Capital Subsidies, by Affordability

Affordability	Number of Units
0-30% of MI	10,568
31-50% of MI	6,230
51-80% of MI	3,479
<i>TOTAL</i>	<i>20,277</i>

Source: Seattle Office of Housing Subsidized Rental Housing Database

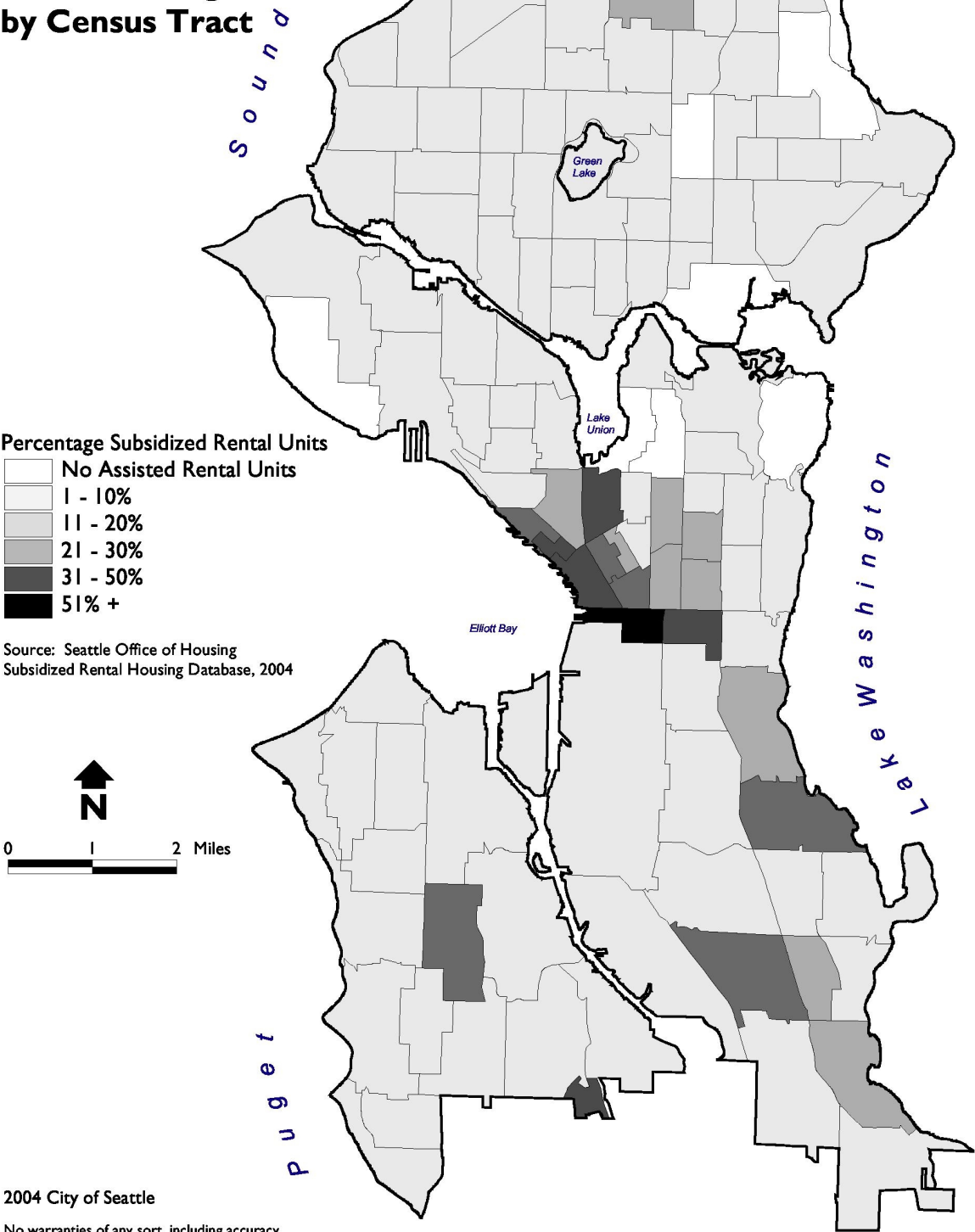
The map on the following page illustrates the concentration of subsidized rental housing as a percentage of total housing units. Most of this valuable housing stock is dispersed throughout the City, with the majority of Census Tracts having a subsidized rental housing concentration of less than 10% of total housing units.

Subsidized rental housing is concentrated in Downtown, which ensures residents easy access to jobs, public transportation, retail, hospitals and health clinics, and social services. Downtown's Pioneer Square and International District neighborhoods have much higher concentrations of subsidized housing for extremely low-income populations than anywhere else in Seattle. The percentage of total housing units that serve households with incomes 0-30% of income is 60% in Pioneer Square and 48% in the International District. The Downtown Commercial Core and South Lake Union have the next highest concentrations of subsidized rental housing for extremely low-income people, with about one-quarter of the total housing units serving households 0-30% of MI.

About 13% of total housing units are subsidized rentals in North Seattle's Bitter Lake and Northgate neighborhoods. Between 20-25% of total housing units are subsidized rentals in the High Point neighborhood in West Seattle, Holly Park neighborhood in south Beacon Hill, and Columbia City in Rainier Valley. Three other census tracts in the Rainier Valley, including Census Tract 118 in Rainier Beach, have concentrations of subsidized rental housing of ranging between 12-19% of total housing units.

Map 2-29

**Subsidized Rental Housing
as a Percentage of
Total Housing Units
by Census Tract**

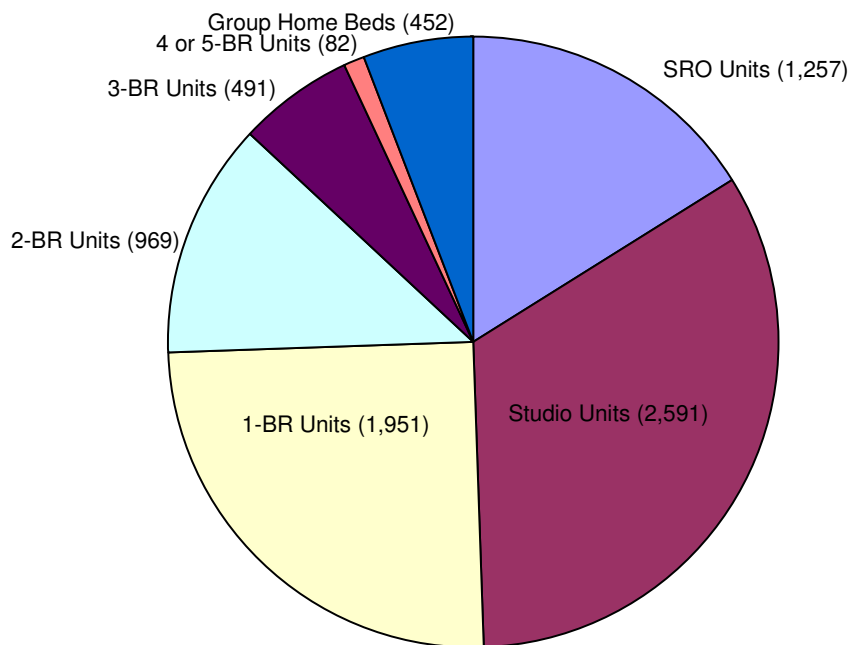


City-Funded Affordable Rental Housing

Over the past two decades, the City of Seattle has provided funding for affordable housing serving low-income families, seniors, low-wage working people, and people with disabilities, including HIV/AIDS. Over time, the City-funded portfolio of below-market-rent apartments has grown to 7,793 housing units in 238 development projects. This housing includes a range of apartment sizes in small and large developments dispersed throughout the city.

Figure 2-30

City-Funded Rental Housing Portfolio by Unit Size (12/31/03)

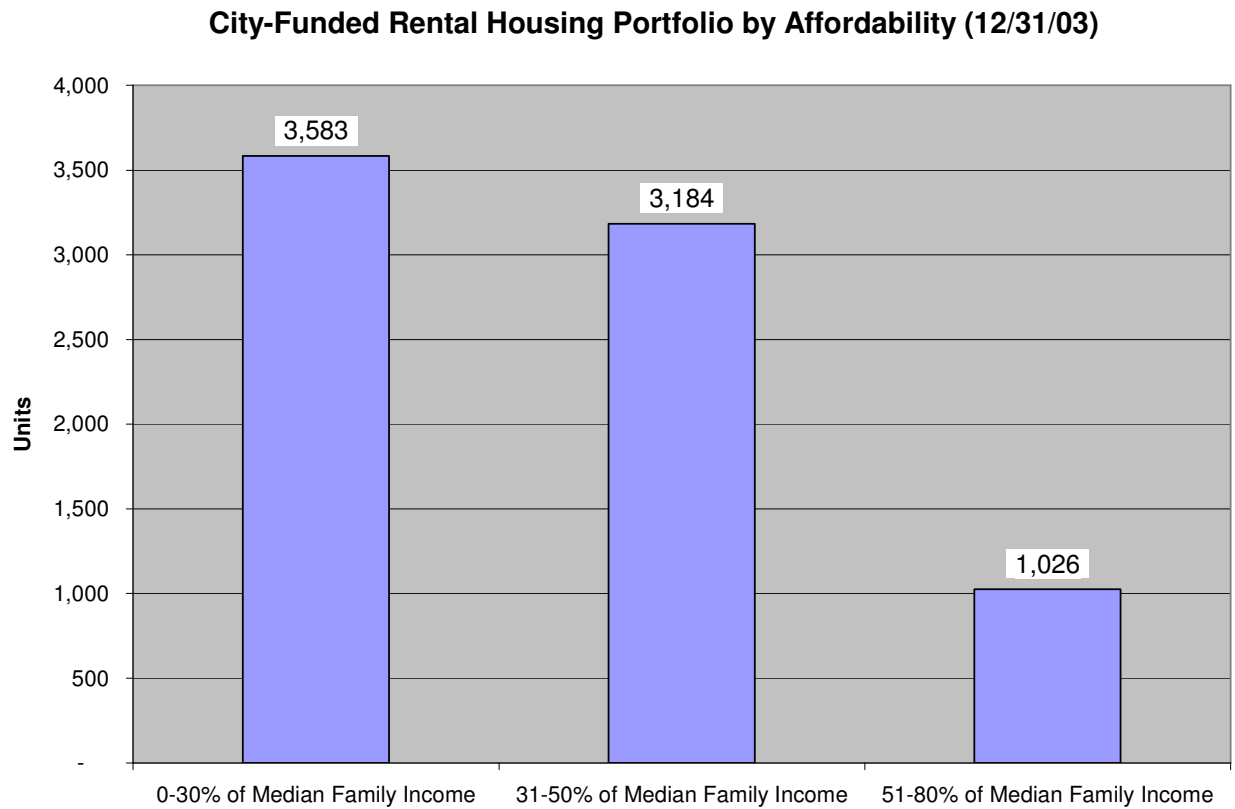


Source: Office of Housing, 2003 Report of Accomplishments

Note: "SRO Units" are single-room-occupancy units.

This affordable housing is a significant asset for Seattle. Nearly half of the housing units are reserved for extremely low-income households with incomes up to 30 percent of the region's median household income (\$16,350 for an individual or \$21,050 for a family of three in 2004). These housing units are often combined with supportive services to assist residents to live independently or transition out of homelessness. Much of the balance of OH's housing portfolio is workforce housing serving individuals and families with incomes up to 50 or 60 percent of the median income (up to \$32,700 for an individual or \$42,050 for a family of three). For lower-income residents, paying an affordable rent frees up resources for other important needs such as food, medical expenses, clothing, transportation, and education.

Figure 2-31



Source: Office of Housing, 2003 Report of Accomplishments

The City plays a monitoring and oversight role to ensure that units remain affordable and continue to serve intended residents as time goes by, and that City-funded buildings themselves remain in good physical condition and are financially viable.

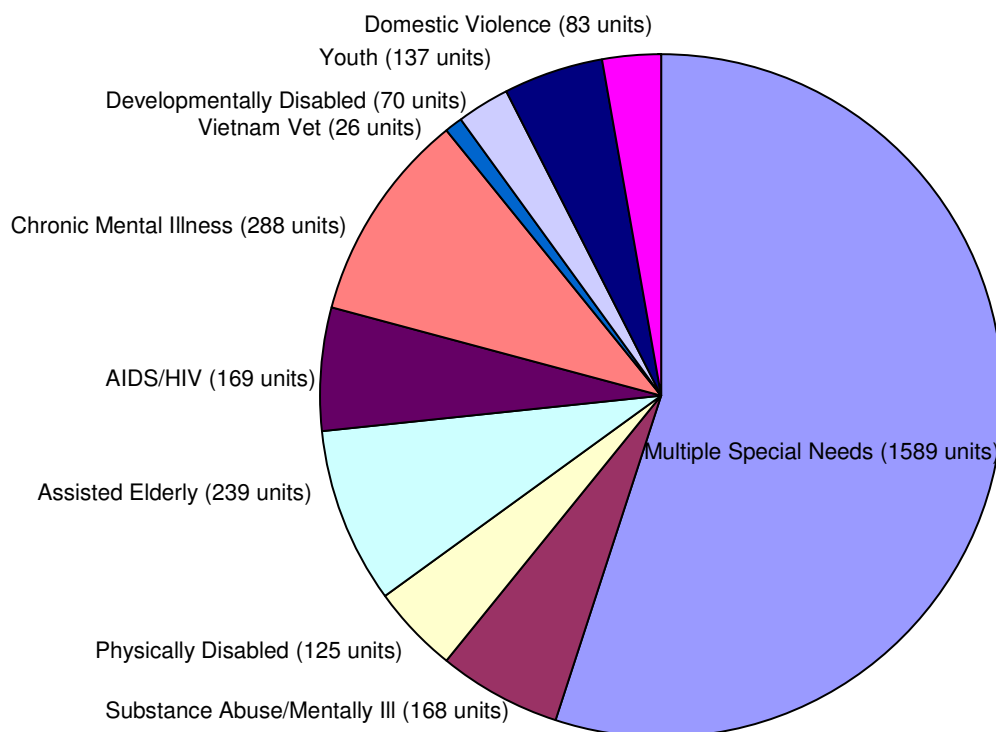
City-Funded Service-Enriched Housing

Service-enriched housing (also known as “supportive housing”) is a successful housing model for stabilizing and moving vulnerable people along a path to self-sufficiency. Affordable housing linked to accessible healthcare, mental health, employment, childcare and other services offers the support that these individuals and families need to succeed. Service-enriched housing gives homeless people a way out of expensive emergency public services and into their own homes and communities; it both improves the lives of its residents and can generate significant public savings.

For the City of Seattle, service-enriched housing has long been a priority. Of the 7,793 City-funded affordable rental units, 34% (2,984) serve homeless and special needs residents. This housing is in stand-alone projects or units set aside within larger, general population apartment buildings. Most of the special needs housing, 2,445 units, serves families and individuals who are also homeless; 630 are transitional units and 1,815 provide a permanent residence.

Figure 2-32

City Funded Service-Enriched Housing Portfolio (12/31/03)



Source: Office of Housing, 2003 Report of Accomplishments

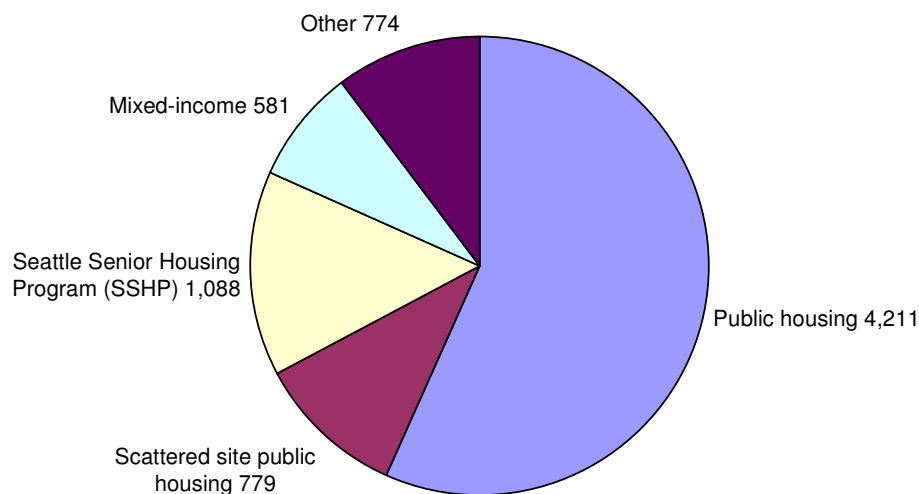
The City provides operating support to projects that serve homeless and special needs residents. Due to the extremely low incomes of the tenants, rents are insufficient to cover building operations costs. OH provides annual operating subsidies to 530 units using 1986, 1995 and 2002 Housing Levy funding. In addition, project-based Section 8 rental assistance provided through the Seattle Housing Authority supports 970 City-funded units.

Seattle Housing Authority Inventory

As of 12/31/03, the inventory of affordable rental housing owned or managed by the Seattle Housing Authority (SHA) totaled 7,433 units. Thirty-four percent of SHA's units (2,513) are 2-bedrooms or larger and serve families. Over 90% of SHA's 7,433 units serve extremely low-income households (0-30% of MI). Almost 70% of SHA's inventory is public housing: 4,990 total units, including 770 scattered site units. Over 20% of the units (1,088) are provided through the Seattle Senior Housing Program (SSHP). The remaining 18% are units funded through other local and federal programs, including federal HOPE VI, Section 8, Section 811, or Section 202, and 1986 Seattle Housing Levy. The map on the following page illustrates the location of residential buildings owned or managed by SHA (with the exception of scattered site public housing).

Figure 2-33

SHA Housing Inventory, 12/31/03 Total Units = 7,433



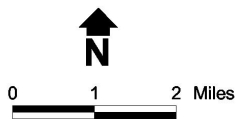
Source: Seattle Housing Authority, Spring 2004

Map 2-34

Locations of Public Housing Operated by the Seattle Housing Authority *

- Low-Income Community
- Senior Housing Community

**Does not include Seattle Housing Authority scattered site housing or Section 8 vouchers.*

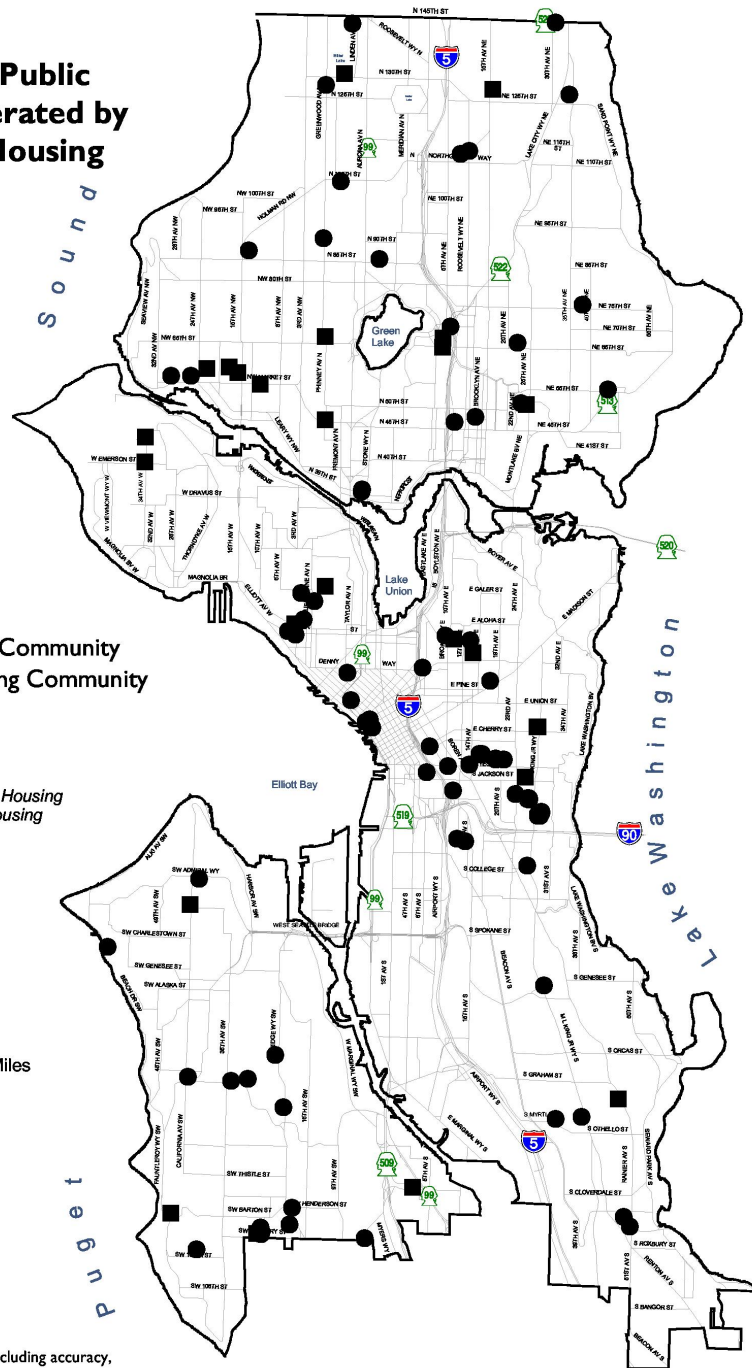


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Source: Seattle Housing Authority, 12/31/03



Tenant-Based Rental Assistance

Tenant-based rental assistance is a category of subsidy that is provided to tenants rather than to a project. Section 8 Housing Choice Vouchers are the primary form of tenant-based assistance. Housing Choice Vouchers allow participating tenants to choose and rent units from private owners. SHA pays a fixed amount of the rent to the owner of the apartment or home each month, and the tenant pays the difference between that subsidy and the total rent, in addition to any utilities not included in the rent.

As of May 2004, 5,339 vouchers were being used by individuals and families to lease apartments in Seattle. This number excludes vouchers used in SHA projects financed under certain programs (i.e. Seattle Senior Housing Program, federal Moderate Rehabilitation Program), which are part of the 20,277 rental units with capital subsidies described above. It also excludes vouchers that have been project-based or are being used outside of Seattle. It does include vouchers provided by other housing authorities that are being used to lease units in Seattle.

As noted previously, Seattle's total inventory of assisted rental housing inventory is approximately 25,000 units, an estimated 4,723 of which are otherwise unsubsidized units leased using tenant-based Section 8 vouchers. The Office of Housing compared addresses for projects in its Subsidized Rental Housing Database with addresses of buildings where Section 8 vouchers are used in order to avoid double-counting affordable housing units that have both tenant-based and project-based subsidies. The comparison confirmed that at least 570 of the 5,339 vouchers are being used to lease units in buildings with project-based subsidies. The estimate of voucher use in Seattle was reduced to 4,723 for the purpose of estimating Seattle's total inventory of assisted rental housing (25,000 units).

About 40% of Section 8 vouchers are used to lease residential units located in the Central Area south of Yesler and Southeast Seattle. The following table shows the breakdown of Section 8 voucher use by sector for Seattle.

Table 2-35
Section 8 Voucher Use by Sector, 2004

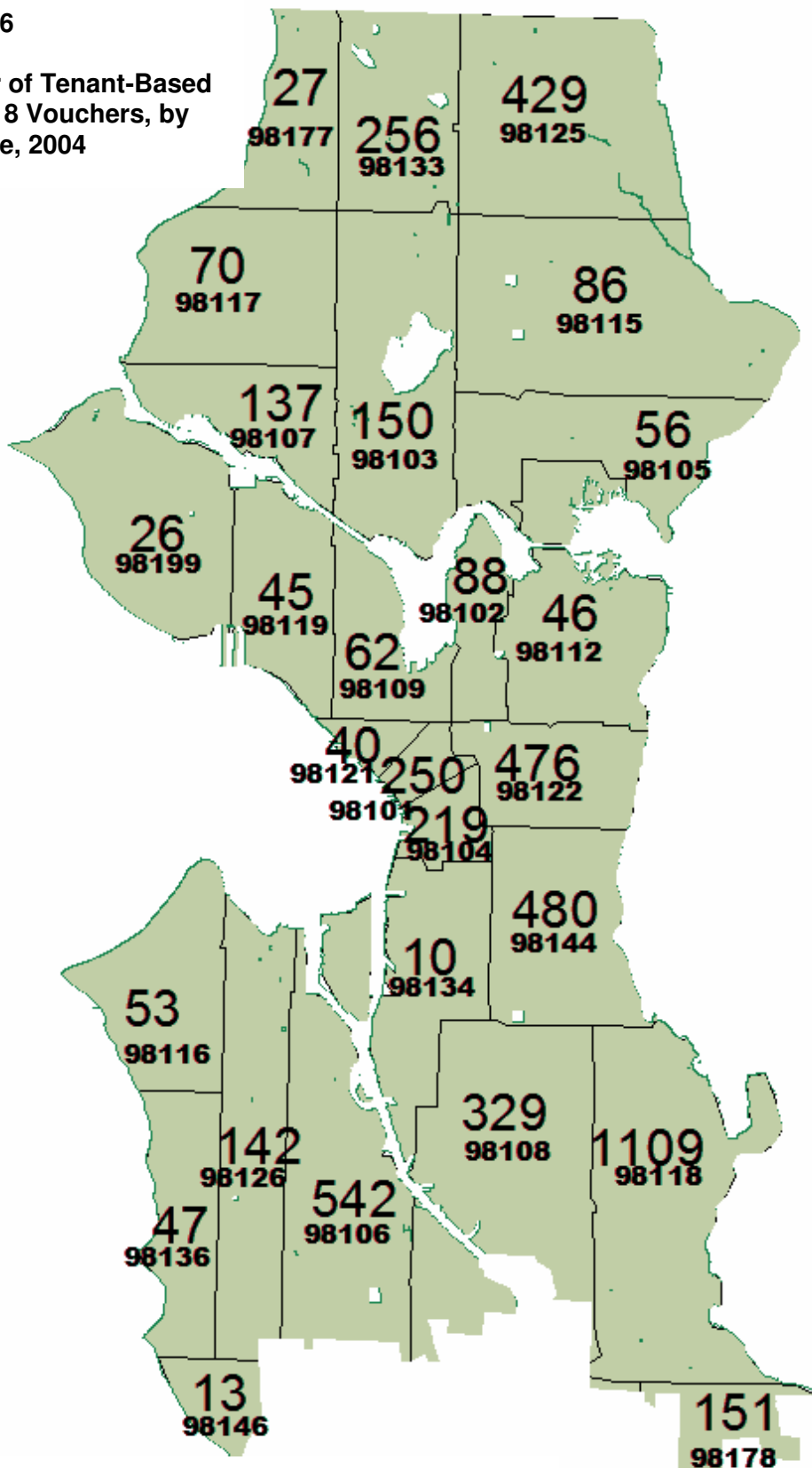
West (includes Downtown)	642	12%
East (includes Central Area north of Yesler)	610	11%
Southeast (includes Central Area south of Yesler)	2,069	39%
Southwest	807	15%
Northwest	640	12%
Northeast	571	11%
<i>Total</i>	<i>5,339</i>	<i>100%</i>

Source: Seattle Housing Authority, April 2004.

The map on the following page identifies the number of vouchers being used to lease housing units, by zip code, as of April 2004. Twenty percent of Seattle's Section 8 vouchers are used to lease housing located in the 98118 zip code in the Rainier Valley.

Map 2-36

**Number of Tenant-Based
Section 8 Vouchers, by
Zip Code, 2004**



Source: Seattle Housing Authority, April 2004